

February 10, 2017

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Pai:

We write to express how deeply troubled we are that one of your first actions as Chairman of the Federal Communications Commission (FCC) has been to undermine the Lifeline program and make it more difficult for low-income people to access affordable broadband. Lifeline is a critical tool for closing the digital divide – a problem you pledged to prioritize in your first speech to FCC staff as Chairman. Accordingly, we urge you to reverse your decision to abruptly revoke the recognition of nine companies as Lifeline broadband providers (LBP) just weeks after they were approved. This action does nothing but create a chilling effect on potential provider participation, and unfairly punish low-income consumers.

Established during the Reagan Administration and expanded during the Bush Administration, the Lifeline program has helped tens of millions of low-income Americans afford basic phone service including families, U.S. military veterans, and elderly individuals. Last year, the FCC modernized the Lifeline program, rightfully refocusing its support on broadband. There is no question that access to broadband is essential to conduct daily activities, pursue job and housing opportunities, obtain quality health care services, and stay in touch with family members. Furthermore, adding broadband to Lifeline can help end the cruel “homework gap” for the five million out of the 28 million households in this country with school-aged children who lack access to broadband.

We urge you to recognize that your recent decision may have far-reaching impacts beyond just disconnecting the customers of one of the nine providers whose LBP status you have revoked. The nine companies have followed the rules, including the approval process, and committed no fraud nor wrongdoing of any kind. This decision sends a harmful message to businesses who want to be able to provide broadband to our neediest households. Even worse, by deterring other broadband providers from participating in the Lifeline program, this could limit choices for Lifeline consumers and increase the consumer cost of the program. While we support efforts to prevent waste, fraud, and abuse, a drastic decision to withdraw a company’s LBP status ought to be based on actual wrongdoing.

By statute, the FCC has an obligation to ensure “consumers in all regions of the country, including low-income consumers” have access to “advanced telecommunications services.” Expanding broadband adoption by low-income families facilitates education and economic growth, enhances health care delivery, improves public safety and most importantly, it provides a foundation for long-term economic development in communities throughout the United States.

We call on you to reconsider your decision and look forward to hearing from you on this important matter.

Sincerely,



Richard Blumenthal
United States Senate



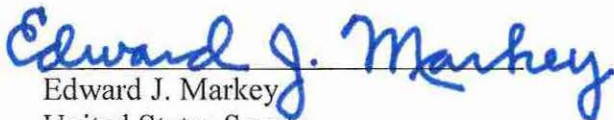
Cory A. Booker
United States Senate



Bernard Sanders
United States Senate



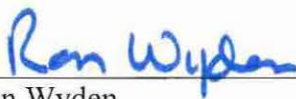
Al Franken
United States Senate



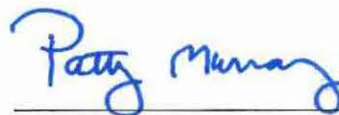
Edward J. Markey
United States Senate



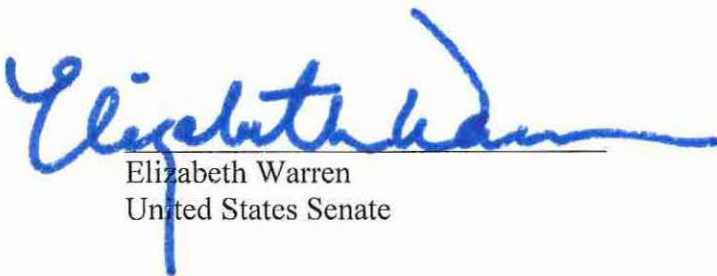
Gary C. Peters
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Ron Wyden
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Patty Murray
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Elizabeth Warren
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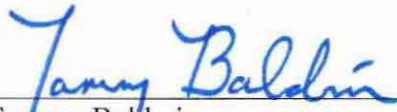
Sherrod Brown
United States Senate



Kirsten Gillibrand
United States Senate



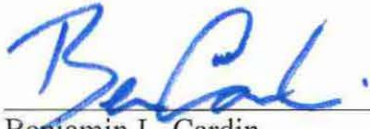
Richard J. Durbin
United States Senate



Tammy Baldwin
United States Senate



Margaret Wood Hassan
United States Senate



Benjamin L. Cardin
United States Senate



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 7, 2017

The Honorable Tammy Baldwin
United States Senate
717 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Baldwin:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

One of my main goals as FCC Chairman is closing the digital divide. And I recognize unaffordability as a key barrier to digital opportunity. Last September, I explained when announcing my Digital Empowerment Agenda that "[a]lthough gigabit services and mobile broadband are becoming common features of wealthier, metropolitan areas, they aren't universal." There is a real digital divide in our country, and as we seek to address this problem, I believe the Lifeline program is an important tool for helping to connect all Americans.

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Second, eight of the nine affected carriers had no Lifeline customers.

Third, the prior Commission disregarded the well-established process for approving applications like these. The National Tribal Telecommunications Association filed a petition for reconsideration pointing out that several of the providers never complied with their obligation under our rules to coordinate their applications with Tribes. These Tribal representatives thus requested that the designations be reversed. Moreover, two providers' designations were improperly granted prior to the public comment deadline for filing comments—that is, before the public even had a full and fair chance to weigh in on the designation. This curtailed the public's ability to participate in these proceedings and limited the Commission's ability to consider all designation criteria with a fulsome record. Whatever one thinks of the merits of these applications, that action was plainly improper.

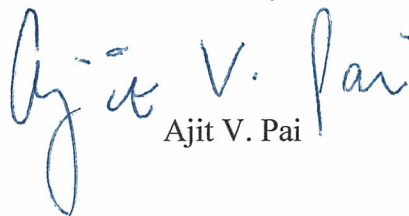
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Lastly, every dollar that is spent on subsidizing somebody who doesn't need the help by definition does not go to someone who does. That means that the Commission needs to make sure that there are strong safeguards against waste, fraud, and abuse before expanding the program to new providers. But our federal safeguards are insufficient: My investigation last year into these matters revealed that providers could indiscriminately override checks that are supposed to prevent wasteful and fraudulent activities. (These checks include common-sense steps like verifying the identity of would-be Lifeline recipients.) From October 2014 until June 2016, wireless resellers had overridden such safeguards 4,291,647 times in total. The investigation also uncovered other loopholes, including one that let a company claim subsidies for approximately 22,000 phantom subscribers each month in the state of Michigan. And the National Verifier—a new database intended to verify eligibility to participate in the Lifeline program—does not currently exist and will not start operating until the end of 2017. Further, it is not scheduled to cover all states until 2019. We need to make sure that safeguards are strong and effective in order to direct subsidies to American consumers who most need the help.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Richard Blumenthal
United States Senate
706 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Blumenthal:

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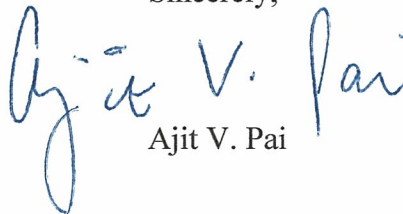
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Cory Booker
United States Senate
359 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Booker:

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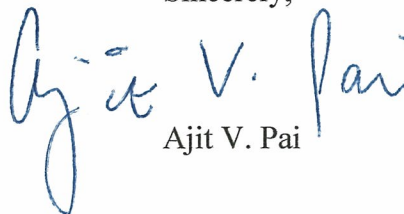
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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, D.C. 20510

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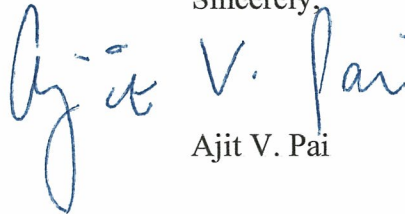
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Benjamin L. Cardin
United States Senate
509 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Cardin:

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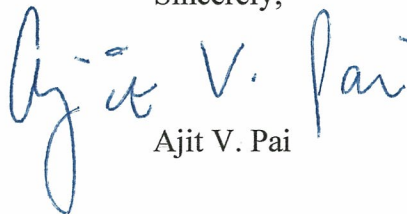
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March 7, 2017

The Honorable Richard J. Durbin
United States Senate
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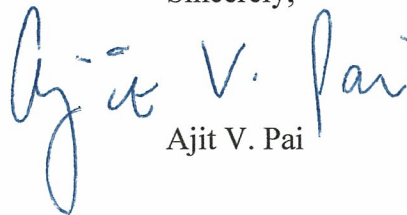
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March 7, 2017

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

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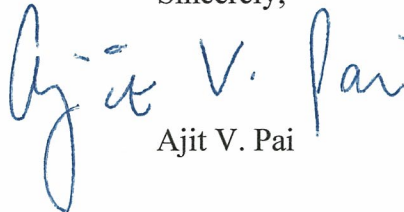
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Lastly, every dollar that is spent on subsidizing somebody who doesn't need the help by definition does not go to someone who does. That means that the Commission needs to make sure that there are strong safeguards against waste, fraud, and abuse before expanding the program to new providers. But our federal safeguards are insufficient: My investigation last year into these matters revealed that providers could indiscriminately override checks that are supposed to prevent wasteful and fraudulent activities. (These checks include common-sense steps like verifying the identity of would-be Lifeline recipients.) From October 2014 until June 2016, wireless resellers had overridden such safeguards 4,291,647 times in total. The investigation also uncovered other loopholes, including one that let a company claim subsidies for approximately 22,000 phantom subscribers each month in the state of Michigan. And the National Verifier—a new database intended to verify eligibility to participate in the Lifeline program—does not currently exist and will not start operating until the end of 2017. Further, it is not scheduled to cover all states until 2019. We need to make sure that safeguards are strong and effective in order to direct subsidies to American consumers who most need the help.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Kirsten Gillibrand
United States Senate
478 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Gillibrand:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

One of my main goals as FCC Chairman is closing the digital divide. And I recognize unaffordability as a key barrier to digital opportunity. Last September, I explained when announcing my Digital Empowerment Agenda that "[a]lthough gigabit services and mobile broadband are becoming common features of wealthier, metropolitan areas, they aren't universal." There is a real digital divide in our country, and as we seek to address this problem, I believe the Lifeline program is an important tool for helping to connect all Americans.

Regarding the *Order*, I would make several important points.

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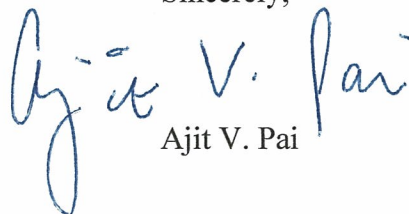
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Maggie Hassan
United States Senate
B85 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Hassan:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

One of my main goals as FCC Chairman is closing the digital divide. And I recognize unaffordability as a key barrier to digital opportunity. Last September, I explained when announcing my Digital Empowerment Agenda that "[a]lthough gigabit services and mobile broadband are becoming common features of wealthier, metropolitan areas, they aren't universal." There is a real digital divide in our country, and as we seek to address this problem, I believe the Lifeline program is an important tool for helping to connect all Americans.

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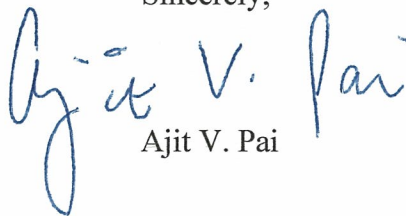
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Edward J. Markey
United States Senate
255 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Markey:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

One of my main goals as FCC Chairman is closing the digital divide. And I recognize unaffordability as a key barrier to digital opportunity. Last September, I explained when announcing my Digital Empowerment Agenda that "[a]lthough gigabit services and mobile broadband are becoming common features of wealthier, metropolitan areas, they aren't universal." There is a real digital divide in our country, and as we seek to address this problem, I believe the Lifeline program is an important tool for helping to connect all Americans.

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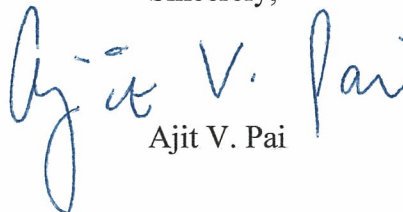
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Patty Murray
United States Senate
154 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Murray:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

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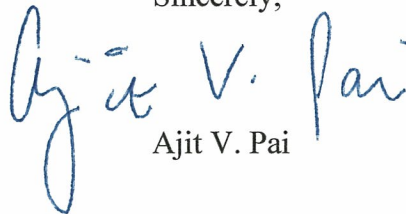
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Gary Peters
United States Senate
724 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Peters:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

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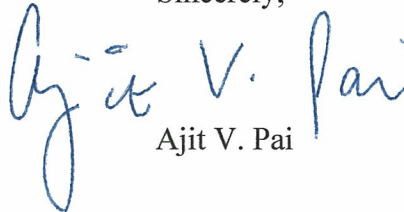
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Bernard Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Sanders:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

One of my main goals as FCC Chairman is closing the digital divide. And I recognize unaffordability as a key barrier to digital opportunity. Last September, I explained when announcing my Digital Empowerment Agenda that "[a]lthough gigabit services and mobile broadband are becoming common features of wealthier, metropolitan areas, they aren't universal." There is a real digital divide in our country, and as we seek to address this problem, I believe the Lifeline program is an important tool for helping to connect all Americans.

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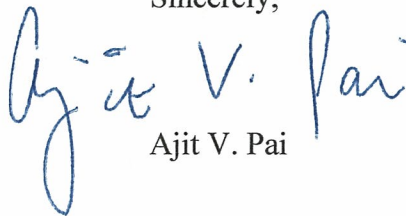
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Warren:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

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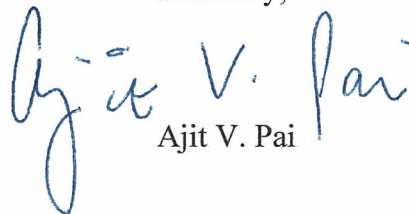
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Lastly, every dollar that is spent on subsidizing somebody who doesn't need the help by definition does not go to someone who does. That means that the Commission needs to make sure that there are strong safeguards against waste, fraud, and abuse before expanding the program to new providers. But our federal safeguards are insufficient: My investigation last year into these matters revealed that providers could indiscriminately override checks that are supposed to prevent wasteful and fraudulent activities. (These checks include common-sense steps like verifying the identity of would-be Lifeline recipients.) From October 2014 until June 2016, wireless resellers had overridden such safeguards 4,291,647 times in total. The investigation also uncovered other loopholes, including one that let a company claim subsidies for approximately 22,000 phantom subscribers each month in the state of Michigan. And the National Verifier—a new database intended to verify eligibility to participate in the Lifeline program—does not currently exist and will not start operating until the end of 2017. Further, it is not scheduled to cover all states until 2019. We need to make sure that safeguards are strong and effective in order to direct subsidies to American consumers who most need the help.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part of the script.

Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 7, 2017

The Honorable Ron Wyden
United States Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

Thank you for your letter regarding the Wireline Competition Bureau's *Order on Reconsideration*, which affected nine companies' participation in the Lifeline program. I appreciate your views, which will be entered into the record of the proceeding.

One of my main goals as FCC Chairman is closing the digital divide. And I recognize unaffordability as a key barrier to digital opportunity. Last September, I explained when announcing my Digital Empowerment Agenda that "[a]lthough gigabit services and mobile broadband are becoming common features of wealthier, metropolitan areas, they aren't universal." There is a real digital divide in our country, and as we seek to address this problem, I believe the Lifeline program is an important tool for helping to connect all Americans.

Regarding the *Order*, I would make several important points.

First, the *Order* affected only nine of the more than 900 carriers participating in the Lifeline program—that's less than 1%. Nor did the *Order* affect the designation of Lifeline broadband carriers by state commissions; that process proceeds apace.

Second, eight of the nine affected carriers had no Lifeline customers.

Third, the prior Commission disregarded the well-established process for approving applications like these. The National Tribal Telecommunications Association filed a petition for reconsideration pointing out that several of the providers never complied with their obligation under our rules to coordinate their applications with Tribes. These Tribal representatives thus requested that the designations be reversed. Moreover, two providers' designations were improperly granted prior to the public comment deadline for filing comments—that is, before the public even had a full and fair chance to weigh in on the designation. This curtailed the public's ability to participate in these proceedings and limited the Commission's ability to consider all designation criteria with a fulsome record. Whatever one thinks of the merits of these applications, that action was plainly improper.

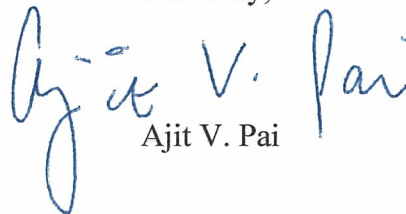
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Lastly, every dollar that is spent on subsidizing somebody who doesn't need the help by definition does not go to someone who does. That means that the Commission needs to make sure that there are strong safeguards against waste, fraud, and abuse before expanding the program to new providers. But our federal safeguards are insufficient: My investigation last year into these matters revealed that providers could indiscriminately override checks that are supposed to prevent wasteful and fraudulent activities. (These checks include common-sense steps like verifying the identity of would-be Lifeline recipients.) From October 2014 until June 2016, wireless resellers had overridden such safeguards 4,291,647 times in total. The investigation also uncovered other loopholes, including one that let a company claim subsidies for approximately 22,000 phantom subscribers each month in the state of Michigan. And the National Verifier—a new database intended to verify eligibility to participate in the Lifeline program—does not currently exist and will not start operating until the end of 2017. Further, it is not scheduled to cover all states until 2019. We need to make sure that safeguards are strong and effective in order to direct subsidies to American consumers who most need the help.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is stylized, with the first name "Ajit" and last name "Pai" being more prominent than the middle initial "V.". Below the signature, the name "Ajit V. Pai" is printed in a standard black font.

Ajit V. Pai